The PRESIDING OFFICER. The Kerrey of Nebraska amendment, No. 1208.

Mr. BIDEN. The Kerrey of Nebraska amendment 1208?

Mr. KERREY exhausted his argumentation on it and is ready to vote on it.

Mr. DOLE. We are ready to take it.

Mr. HATCH. We are very close to taking that amendment. I just have to clear one or two more people, and we are working on it. Let me suggest the absence of a quorum.

Before I do, let me suggest let us work on this, let us see if we can get together. There is good will on both sides here. We want to get this resolved. But we just do not want the gun fight on this bill. It is a reasonable request. I understand the sincerity of people on the other side who do want it. There are people on our side who did, and we kept them off. We fought them and said you cannot do it. We told the President we would not do it. Now all of a sudden we are in the middle of a gun fight and we just do not want to do it on this bill. This bill is too important.

Frankly, I think we can battle out these other things. The questions on habeas we will fight it out here on the floor and let the chips fall where they may. We have been willing to do that from the beginning.

I see the majority leader wishes to speak.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I wonder if the two managers might go off somewhere and try to see if they cannot put together something. Better than do it out here in the open.

Mr. BIDEN. You do want us to come back, do you not?

Mr. DOLE. It is like making sausage out here.

It may be we can work it out. I do not see much problem with the Kerrey amendment. We might be able to accept that with some modification. But we want to finish the bill. I promised the President we would finish it before Memorial Day. I like to keep my word. That was not possible. But the President did not know it was not possible and he said some things I did not like.

So I am going to finish this bill. If I do not finish the bill it will not be my fault. Because we could not get cloture or we could not get cooperation on the other side. That is his side, not my side. We are ready. We are ready to do habeas corpus and have final passage before 6 o'clock. That would be an antiterrorism bill. All these other things are going to be around here a long time, this year and next year. We can offer all the amendments we wish. This came to us as an emergency. This was an emergency. We were all called to the White House. We do not do this on every bill.

This is very important to the President of the United States. He has been to Oklahoma City. He saw the need. He met with the Attorney General. He met with leaders of Congress and said, ''Let's do it.'' We did not say let us see how many amendments we can offer, who can outpoint each other, make some political points on some issue, whatever it might be. That is what we are about to get into here, and I do not think I want to be any part of that. I want to try to keep my word to the President. If we cannot, we cannot. We will do the best we can. I think he will understand. If he does not understand, I will write him a letter. But that is the way it goes.

Mr. BIDEN. Mr. President, in response to the leader's suggestion that Senator HATCH and I go off, I am always happy to go off with Senator HATCH. What I would like to suggest is that in the meantime we move on an amendment that the President wants in this bill, the wiretap amendment, while he and I are off. We can continue to make progress. I just think we should debate it in case we do not even get close.

Mr. DOLE. We are close on that amendment, too. If the Senator and Senator HATCH could go off somewhere for 10 minutes they could probably get back pretty much with an agreement.

Mr. HATCH. We have been trying to get an answer to that one for the last 36 hours.

I intend to accept that amendment.

Mr. BIDEN. Good. I urge the amendment.

Mr. HATCH. I have to check one or two more people. I am personally doing the best I can. It is an amendment that really would allow wiretaps following the criminal. In other words, instead of having to follow the phone they follow the criminal who might use multiple phones. I personally have no objection to that and think it is a wise amendment. The President wants it. I support the President.

Mr. BIDEN. Mr. President, I think——

Mr. HATCH. But I have to deal with my side, too.

Mr. BIDEN. Mr. President, my experience is not as extensive as the leader's and slightly more extensive than the Senator from Utah's here, but it seems to me we waste a whole lot of time working out whether we can work things out rather than just bringing them up and voting on them. By the time we get to vote on it, we are slowing things up.

I have another amendment we can move to, then.

Mr. HATCH. Will the Senator yield before he does? We have a bunch of pending amendments that we have asked you to accept. The Smith amendment, which would set a floor.

Mr. BIDEN. We cannot, but let us vote on Smith. We are ready to vote.

Mr. HATCH. We have McCain-Leahy. We have the Pressler amendment.

Mr. BIDEN. McCain-Leahy is cleared.

Mr. HATCH. Then I urge McCain-Leahy—oh, we are still in morning business. I am ready to move here. We have Senator SPECTER's amendment.

Mr. BIDEN. We are ready to vote on the Specter amendment. We would agree to a 10-minute time agreement.

Mr. DOLE. You cannot take it? You do not want to take it or you cannot take it?

Mr. BIDEN. We cannot take it now so let us just vote on it. Look, in 10 minutes—the whole thing is over in 25 minutes rather than spending 45 minutes deciding whether we can take it.

Mr. DOLE. We would like to take a number of back-to-back votes if we are going to do that.

Mr. HATCH. We have the Brown amendment?

Mr. DOLE. Why can you not take any of our amendments and we are taking your amendments? Because we are Republicans?

Mr. BIDEN. We can take Hatch. We can take the Hatch amendment, and we are happy to do that. We are ready to accept the Hatch amendment. We have already taken the McCain amendment. That is two out of six. That is about what your average is.

Mr. DOLE. You are getting better.

Mr. BIDEN. The Pressler amendment; three out of seven. That is better than your average.

Mr. HATCH. How about Abraham? Can you take Abraham?

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. SNOWE). Without objection, it is so ordered.

RECESS

Mr. DOLE. Madam President, I will just announce, the Senator from Delaware and the Senator from Utah have been meeting. We now have a list of amendments, but I think we need time to determine whether or not we are going to proceed, because there are 24 amendments now. There were not that many when they went into the meeting, but they came out with 24 amendments. The time agreements just on the Democratic side would take 9 hours.

I think I need to meet with Senator HATCH to see whether there is any other option, other than waiting and having the cloture vote tomorrow morning.

So, Madam President, I move that the Senate stand in recess until the hour of 6:10 p.m.

The motion was agreed to, and at 5:36 p.m., the Senate recessed until 6:08 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. BURNS].

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, as I understand it, the Senator from Illinois wanted to speak in morning business.

Mr. SIMON. That is correct.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent there now be a period for the transaction of routine morning business not to extend beyond the hour of 6:30 p.m., with each Senator to be allowed to speak for 5 minutes—or whatever.

Mr. SIMON. I would like to take about 20 minutes?

Mr. DOLE. OK, you can give him the whole 20 then.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois.

THE DOLLAR, THE YEN, AND THE DEFICIT

Mr. SIMON. Mr. President, this is the third in a series of commentaries I am making on our Nation's condition, a series suggested to me by President Clinton after I announced my future retirement from the Senate.

One of the major economic events of this year is the recent decline of the dollar against the Japanese yen and the German mark. Though this slippage was arrested temporarily a few days ago, the long-term trend is clear. We know that the drop in the value of the dollar will affect our future, but we are not sure how. We know that we should do something about it, but we are not sure what.

At a White House press conference on Tuesday evening, April 18, a reporter asked President Clinton about the sinking dollar, and the President responded: ''In the present climate, the ability of governments to affect the strength of their currency . . . in the short run may be limited.'' If that is an excuse for inaction, it is wrong. But the President was right in saying:

> So what you have to do is work over the long run. The United States does want a strong dollar. We believe in the importance of fundamentals in our economy. We believe in getting the deficit down, getting jobs up and pursuing a responsible course.

The Washington Post had an editorial that observed:

> Anger and frustration in their voices, Japanese and German officials have been calling on the United States publicly to do something about the [falling] dollar * * * The United States is likely to offer sympathy but little more. There's nothing useful that the United States can do.

The Post is wrong.

A few blamed our $20 billion loan guarantee to Mexico, and while it could have altered behavior slightly in an uneasy market, a $20 billion multiyear loan guarantee is not something major for a nation that has a $6 trillion national income, if it has its economic house in order.

There are two basic questions: What does the fall of the dollar mean? What can we or should we do about it? I shall address both.

What does the fall of the dollar mean?

It is significant, both for our Nation and the world. Since two-thirds of the world's trade is carried on in dollars, the erosion of the dollar can destabilize economies far from us. But the British publication, the Economist, is correct:

> In the long run, the biggest loser from the neglect of the dollar will be America itself.—April 15, 1995.

A Journal of Commerce columnist accurately noted on April 17: ''The weak dollar will decrease U.S. political influence abroad.'' Peter Passell wrote in the New York Times, on May 7: ''No indicator of the American economic decline stands out like the fallen dollar.'' Paul Volcker, former chairman of the Federal Reserve Board, is quoted in the New York Times on May 2: ''If you think American leadership is important, then erosion [of the dollar] is a negative.'' Time magazine, in its March 20 issue, quoted financial analyst Felix Rohatyn: ''We are gradually losing control of our own destiny. The dollar's decline undercuts American economic leadership and prestige. It is perhaps the single most dangerous economic threat we will face in the long term because it puts us at the mercy of other countries.'' Van Ooms, economist for the Committee for Economic Development and former chief of staff of the House Budget Committee, said on the pages of the Chicago Tribune on April 13 that Europeans will take this country less seriously on foreign policy ''when it can't run a credible economic policy.'' As if to underscore all of this, the April 12th Wall Street Journal had a heading about the fastest growing economic part of the world: ''Asia's Central Banks Unloading Dollars in Shift Toward Yen as Trade Currency.''

Short-term, Americans will see little change. Yes, if we are traveling in other nations, we will be hurt a little by the foreign exchange rates. Our balance of trade with other nations may be helped a little, because U.S. products can be secured for less money, though foreign businesses—like their American counterparts—rarely immediately drop their prices, both because they want to make some additional profit and because there is a reluctance to adjust prices until the currency market stabilizes. Our balance of trade is helped because U.S. businesses that buy component parts from overseas producers will suddenly find them more expensive and will shift to a U.S. manufacturer of the same product, if one is available. But that is not always the case. The VCR, for example—invented, developed and, at one time, entirely manufactured here—now has no U.S. manufacturing source.

Little-noticed economic consequences will gradually affect us. For example, securing a patent in Japan will now be more expensive for a United States firm or individual. Factors like that have a limited, short-term impact but a much greater long-range impact.

Long-term, the dollar decline has more serious consequences.

First, the increased cost of foreign goods will have a gradual inflationary impact on our economy. That will not only cause the consumer dollar to shrink and discourage savings, it eventually will put pressure on the Federal Reserve Board to raise interest rates to discourage inflationary pressures—and that will hurt our economy.

The financial markets will also push interest rates up. We know that approximately 16 percent of our deficit—or about $700 billion—is publicly known to be held outside the United States. But many nations outlaw holding bonds from another nation—the United States once did—and there is additional ownership that is not publicly disclosed, hidden usually through a third party holding the bonds. If the dollar continues its decline, U.S. bonds denominated in dollars will become less and less attractive. We will have to raise interest rates to sell this huge chunk of our deficit.

Less widely known is that 14 percent of our corporate bonds are held by people who live beyond our borders. That money has financed a huge chunk of our industrial expansion and modernization. If the dollar continues to decline, we will either lose this source of capital, or interest rate payments will have to be raised to make these bonds attractive enough to sell.

In addition, there are sizable foreign deposits in savings and checking accounts in our banks, and foreign-held certificates of deposit. Indirectly, these help to finance both our government sector—because the banks buy Treasury bonds—and the private sector, because the banks are able to make loans to U.S. businesses with these resources. If all of this shrinks because of a fall in the dollar, the only way to salvage the situation is with higher interest rates.

In the long term, higher interest rates discourage industrial investment and reduce productivity. Our economy is hurt, and the phenomenon of a lower dollar is not healthy for our Nation. From time to time, minor adjustments will occur and frequently are healthy. But the fairly consistent pattern of the drop in our dollar against the yen and the mark has major long-term consequences for our citizens that are not good.

I read an exchange that took place between two economists some years ago when the dollar brought 262 yen. In 1968, incidentally, 1 dollar equaled 360 yen. Here we can see in this graph what has happened to the dollar versus the yen. The one discussant predicted that if our policies were not altered, the dollar would eventually slide to 180 yen. The other economist predicted, confidently, that this would never happen. A few days ago, the dollar fell to 82 yen and today the dollar is worth 84 yen. Recently the Washington Post published a column noting the opinion of